

**STATEMENT OF PROCEEDINGS FOR THE REGULAR MEETING OF THE
CITY OF MONTEBELLO OVERSIGHT BOARD**

**CITY OF MONTEBELLO
CITY COUNCIL CHAMBERS
1600 WEST BEVERLY BOULEVARD
MONTEBELLO, CALIFORNIA 90640**

Wednesday, November 6, 2013

8:15 a.m.

AUDIO LINK FOR THE ENTIRE MEETING (13-5321)

Attachments: [AUDIO](#)

I. CALL TO ORDER

Chair Bruckner called the meeting to order at 8:23 a.m.

II. ROLL CALL

Cesar Hernandez, Oversight Board Staff, called the roll:

Present: **Board Members Angel F. Barnuevo, Edgar Cisneros,
Denise Hagopian, Cheryl A. Plotkin, Vice Chair Ernesto
Hidalgo and Chair Richard Bruckner**

Vacancies: **Chancellor of Community College Appointee**

III. STAFF COMMUNICATIONS

This time is set aside for Successor Agency staff to update the Board on important items initiated by staff or previously requested by the Oversight Board.

Christopher Cardinale, Successor Agency Legal Counsel, informed the Oversight Board that the Department of Finance approved the transfer of real properties, which included the Police Facility, Montebello City Hall and Henry Acuna Park from the Montebello Successor Agency to the City of Montebello (APN 5294-014-904 and APN 5294-014-900).

By Common Consent, there being no objection (Community College Appointee being vacant), the Oversight Board accepted Mr. Cardinale's report.

IV. ADMINISTRATIVE MATTERS

1. Self-introduction of newly appointed Oversight Board member. (13-5164)

Chair Bruckner introduced new Board Member Angel F. Barnuevo to the Oversight Board.

2. Recommendation: Approve the minutes for the September 17, 2013. (13-5165)

Ayes: 4 - Board Members Hagopian, Plotkin,
Vice Chair Hidalgo and Chair Bruckner

Abstentions: 2 - Board Members Barnuevo and Cisneros

Vacancies: 1 - Community College Appointee

Attachments: [September 17, 2013 Minutes](#)

V. DISCUSSION

3. Study Session Re: State Controller Audit and Successor Agency Request for Oversight Board Approval of Specified Redevelopment Agency Transactions. (13-5185)

Christopher Cardinale, Successor Agency Legal Counsel, presented a detailed staff report provided to the Oversight Board, indicating that the State Controller's Office (SCO) flagged certain transactions as unauthorized and demanded that said transactions be reversed unless the Oversight Board reviews and approves the following:

- Housing Assets Transferred to the City as "Housing Successor"
- Agency's Issuance and Redemption of the Montebello Economic Revitalization Project 1993 Tax Allocation Bonds
- The Tax and Revenue Anticipation Note

Board Member Hidalgo inquired if the Successor Agency anticipates other concerns from the Department of Finance (DOF) and SCO that would require additional information and Oversight Board's approval. Francesca Tucker-Schuyler, City Administrator, responded that the Successor Agency does not anticipate any other concerns.

Mark Huebsch, Oversight Board Legal Counsel, inquired on the 2000 Certificate of Participation (COPs): 1) were the reimbursement agreements contemporaneous with the execution and delivery of the COPs by the City; and 2) were the obligation of the Successor Agency to reimburse the City of

Montebello (City) the pledge assigned to the Bondholders. Mr. Cardinale responded “yes” to the both inquiries.

Chair Bruckner also inquired if an agreement existed between the City and the former Redevelopment Agency (RDA), where the RDA would use its tax increment to pay the loan, and the pledge was made to the Bond holders regarding the payment. Mr. Cardinale concurred with Chair Bruckner and added that the agreement referenced that the RDA would make the payment toward the Bonds issued. For clarity, Chair Bruckner further explained that by the RDA paying the loan to the City, the taxing entities benefited from the payment. Otherwise, if the loan had not been paid, it would have been added to the Recognized Obligation Payment Schedule (ROPS), leaving less money for the taxing entities.

Vice Chair Hidalgo questioned the discount rate used, and how the rate was chosen for the loan. Ms. Tucker-Schuyler responded that the rate was a Federal discount rate, which was provided by Bond Counsel and affirmed by a judge on the transaction.

Mr. Huebsch questioned if the City would refund the COPs at a savings to the City. Ms. Tucker-Schuyler informed that the City has been attempting to refund the COPs, and has had discussions with the DOF to approve the transfer of titles of City Hall, Police Station and Acuna Park. She further added that the interest rate has changed, and the City currently does not have the best credit rating allowing refinancing the COPs at a lower rate.

Board Member Hagopian inquired why the SCO is questioning the transactions and if the DOF had already approved the transactions. Mr. Cardinale explained that the dissolution law provided the SCO the authority for a separate and independent audit and that the items the SCO is questioning are the cash transactions. In addition, Ms. Schuyler advised the Oversight Board that the SCO had audited the City over a six-month period, and reviewed all transactions.

Vice Chair Hidalgo requested clarity on the dissolution law providing the Oversight Board to ratify actions during the time period in question. Mr. Huebsch responded that the law is not clear on the parameters that govern the particular actions an Oversight Board takes, other than some limited guidelines in context, for example the ROPS. However, the Oversight Board under its discretion can take actions under its fiduciary duties, to holders to enforceable obligations and the taxing agencies.

Vice Chair Hidalgo further inquired would any other action by the Oversight Board would be brought back for reconsideration by the DOF and SCO. Mr. Cardinale addressed Vice Chair Hidalgo's concern explaining that the DOF/SCO will review Oversight Board action, taken by resolution on this matter.

By Common Consent, there being no objection (Community College Appointee being vacant), the Oversight Board received and filed the staff report, and scheduled a Special Meeting on Wednesday, November 13, 2013 at 8:15 a.m. to consider resolutions on transactions of: 1) Housing Assets Transferred to the City as "Housing Successor", 2) Agency's Issuance and Redemption of the Montebello Economic Revitalization Project 1993 Tax Allocation Bonds; and 3) The Tax and Revenue Anticipation Note.

Attachments: [Staff Report](#)
 [Attachments](#)
 [Resolution](#)

VI. MISCELLANEOUS

4. Matters not on the posted agenda (to be presented and placed on the agenda of a future meeting). (13-5188)

The Successor Agency reminded the Oversight Board that a Special Meeting has been scheduled for Wednesday, November 13, 2013 for consideration of adopting various resolutions.

5. Public Comment. (13-5190)

Ana Arriola, member of the public, addressed the Oversight Board enquiring why the subject of the Taylor Ranch was not on the agenda.

Francesca Tucker-Schuyler, City Administrator, informed that Taylor Ranch is still being researched, and will be further addressed when the Long Range Property Management Plan will be presented.

Board Member Hagopian enquired if the property title for Taylor Ranch has been located. Ms. Schuyler advised that the title for Taylor Ranch has been located indicating that the City of Montebello holds the title to Taylor Ranch.

6. Adjournment. (13-5192)

Vice Chair Hidalgo took this opportunity to recognized Board Member Cisneros and Anna Arriola's candidacy in the City of Montebello's elections.

The meeting adjourned at 9:41 a.m. A Special Meeting has been scheduled for Wednesday, November 13, 2013 at 8:15 a.m.